

To: Leff, Karin[Leff.Karin@epa.gov]
From: Morning Consult
Sent: Fri 11/11/2016 12:38:00 PM
Subject: Morning Consult Energy: EPA Rushing to Wrap Up Regulations Before Obama Term Ends

By Jack Fitzpatrick

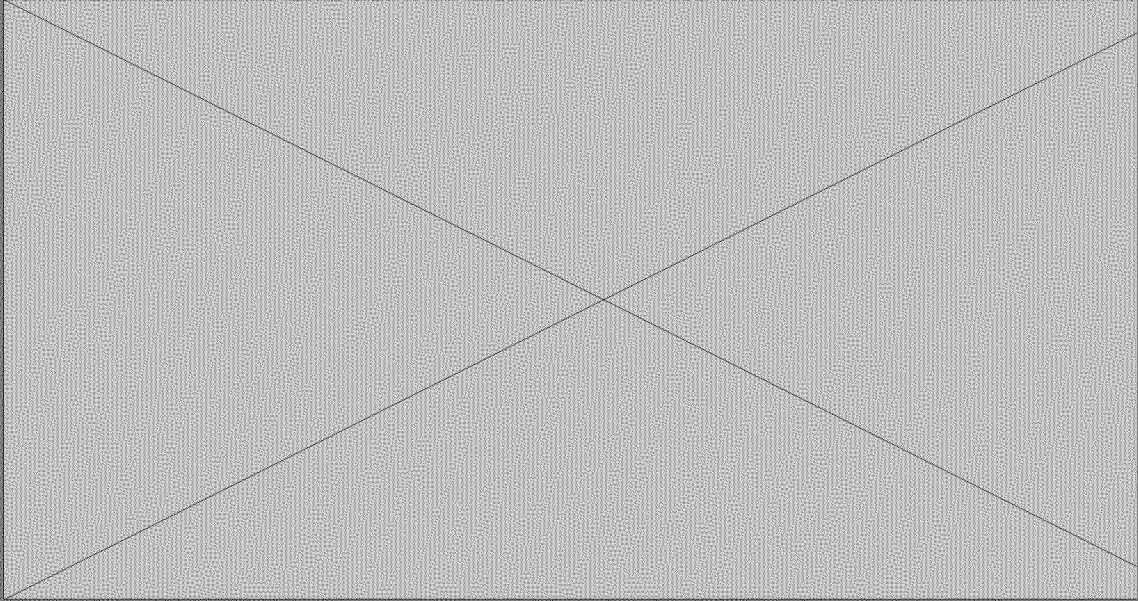
Today's Washington Brief

- Environmental Protection Agency Administrator Gina McCarthy sent a memo telling employees , "we're running - not walking - through the finish line of President Obama's presidency," with a fast final round of regulations. ([Washington Examiner](#))
- The Alliance of Automobile Manufacturers urged President-elect Donald Trump's transition team to revise auto-emissions regulations and other auto rules, including those for self-driving cars. ([Reuters](#))
- The Bureau of Land Management finalized a rule on wind and solar leases on federal land, finalizing the first framework to streamline the leasing process. ([Morning Consult](#))

Today's Business Brief

- A Wyoming regulator found that natural gas production was likely not responsible for polluted water in the town of Pavillion. ([Casper Star-Tribune](#))
- Russian Energy Minister Alexander Novak said his country is open to freezing oil output, although he prefers not to cut production. ([The Wall Street Journal](#))
- A report found that Texas's grid is moving away from coal to natural gas due to market forces, and that by 2035, 85 percent of the state's power may come from natural gas and renewables. ([UtilityDive](#))

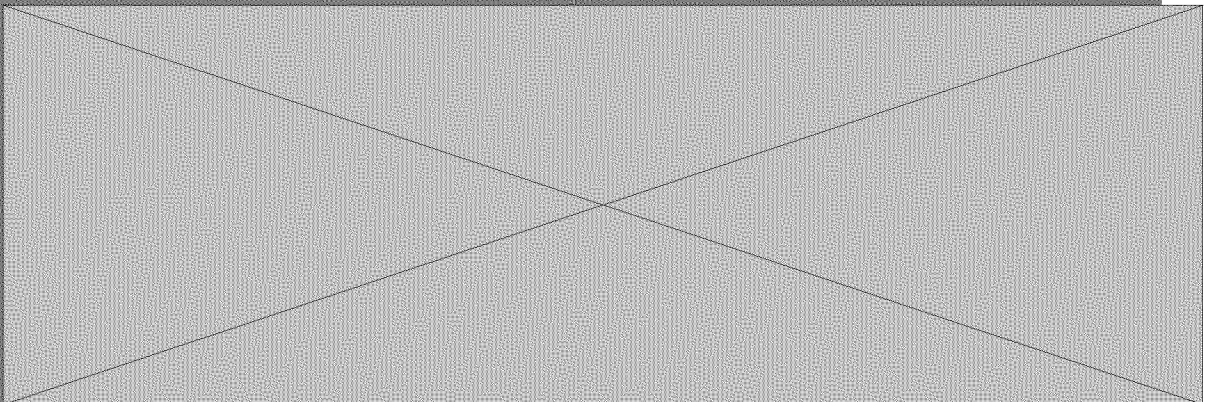
Today's Chart Review



Mark Your Calendars (All Times Eastern)

Friday

22nd Conference of the Parties to the United Nations Framework Convention on Climate Change



General

The head of the Environmental Protection Agency is telling staff to quickly finish up the last round of regulations before President-elect Donald Trump enters the Oval Office next year. "As I've mentioned to you before, we're running - not walking - through the finish line of President Obama's presidency," EPA Administrator Gina McCarthy said in a staff memo.

Donald Trump's transition team reiterated his campaign promises to end the Clean Power Plan and ramp up the production of fossil fuels on its website, which launched Thursday. Environmentalists had expressed uncertainty about Trump's plans, especially on climate, after his election to the presidency on Tuesday.

A major auto trade group on Thursday urged President-elect Donald Trump's transition team to revise fuel efficiency mandates that could cost them billions of dollars and called for a full-scale review of the Obama administration's autonomous vehicle policies.

A top Senate staffer could ascend to the Federal Energy Regulatory Commission during the lame-duck session of Congress, putting him in position to become agency chairman next year. Neil Chatterjee, a longtime energy aide to Senate Majority Leader Mitch McConnell, has been picked by the Kentucky Republican for a seat on the five-member commission but hasn't been advanced amid partisan sniping over nominees, according to sources familiar with the nomination.

Donald Trump's plans for a U.S. construction boom have set off a chain reaction that's invigorated commodities prices, hammered bonds, buttressed

the dollar and is now ripping into emerging markets.

Copper extended the biggest weekly advance in at least three decades in London. That's boosting the outlook for inflation, causing the rout in bonds to deepen in Europe after more than \$1 trillion was erased from the value of global debt market.

Oil & Natural Gas

Wyoming regulators are doubling down on earlier conclusions that natural gas operations were likely not responsible for polluted drinking water in the small town of Pavillion. The Wyoming Department of Environmental Quality released an 80,000 page report Thursday mirroring finding from earlier studies, despite recent criticism from the Environmental Protection Agency.

Russian Energy Minister Alexander Novak said Thursday that Moscow could freeze crude production at November levels and said the country still prefers a freeze to production cuts, according to state news agencies. Novak told news agencies that given Russia's production was expected to rise in the coming months, the freeze would be tantamount to a cut for the country.

The Environmental Protection Agency on Thursday proposed to reject requests to change the point of obligation to comply with the Renewable Fuel Standard. The RFS currently requires importers and refiners to comply with requirements to mix ethanol and other renewable fuels into the gasoline supply, or to buy credits from those who have done so.

Oil major Shell is planning to continue investing heavily in Brazil as part of a bid to double its global deep water production by the early 2020s. Shell plans to invest \$10 billion in the South American nation over the next five years, Wael Sawan, the company's executive vice president for deep water, said in an interview this week.

The Environmental Protection Agency issued its final information collection request on Thursday for an eventual rule on methane emissions from the oil and gas industry. The agency has already issued a rule on methane emissions from new sources in the oil and gas industry, and was collecting data on emissions in preparation for an eventual rule on existing sources.

The nation's top oil and natural gas lobbying group says it expects President-elect Donald Trump and a GOP-controlled Congress to be friendlier to the industry than President Obama's administration. American Petroleum Institute President Jack Gerard said Thursday the incoming administration should reassess Obama-era rules for the oil industry, approve pipeline projects like Keystone XL and expand drilling rights in the United States.


Utilities & Infrastructure

Energy Transfer Partners on Thursday said an easement from the Army Corps of Engineers to drill under Lake Oahe would unlock an additional \$1.4 billion in financing for its Dakota Access Pipeline. The company has already drawn \$1.1 billion from its \$2.5 billion credit facility but needs the easement, a right to use the property without possessing it, to access the remaining \$1.4 billion required for the project.

With a President Trump in the White House, the nation's fossil fuel debate will likely shift from "keep it in the ground" to putting pipelines in the ground. Trump, who campaigned on making America energy independent, cannot do much to accelerate drilling amid a price slump.

Renewables


The Bureau of Land Management finalized a key rule on Thursday on wind and solar leases, aiming to create a faster and more consistent process for renewable energy on federal land. The rule establishes a bidding process for wind and solar leases and creates "designated leasing areas" with a streamlined permitting process and reduced fees. It is the agency's first framework for these types of renewable leases, making the process easier and more accessible for the industry.



Coal


A Brattle Group report on the Texas power grid finds cheaper natural gas and the declining cost of solar energy are effectively cleaning up the state's power industry, lowering emissions and leading to the retirement of older coal plants. By 2035, the report concludes gas plants and renewable power may provide about 85% of all energy used in the Electric Reliability Council of Texas' territory. Coal plants would provide 6%.

Two aging coal plants puff away on the outskirts of Pristina, the capital of the regionally-disputed Eastern European territory of Kosovo. The question facing the world is what to do when they can no longer continue to generate electricity.



Nuclear


Vietnam's ruling communist party decided Thursday that two planned plants in the southern region of Ninh Thuan will not feature in the country's future energy mix, state-controlled media reported. MP Duong Quang Thanh, chairman of the Electricity Committee in the National Assembly, confirmed that no budget for the plants - which were approved in 2008 with a combined capacity of 4,000 megawatts (MW) - had been included in a long-term energy plan approved by Prime Minister Nguyen Xuan Phuc, the DTI news website reported.



Climate

After Tuesday's U.S. election upset, climate change watchers and wonks are scrambling to assess what it would really mean if Donald Trump, true to his word, ditches or simply fails to participate in the Paris climate change agreement (which he could do through a variety of mechanisms). And it does indeed appear that the consequences for international diplomacy, and for the planet, would be considerable.

Former vice president and longtime environmental activist Al Gore campaigned hard against Donald Trump, saying his election "would take us toward a climate catastrophe." But now that Trump will soon be occupying the Oval Office, Gore is extending an olive branch, saying in an online posting this week that he will do everything he can to work with the incoming administration to ensure that the United States remains a leader in combating the harmful effects of global warming.



Opinions, Editorials & Perspectives

Donald Trump's election has thrown an apparent lifeline to beleaguered coal producers but he may not be able to do much to revive the fortunes of the industry. The U.S. coal industry has been a victim of the shale revolution and the enormous quantities of cheap gas that have been unleashed by hydraulic fracturing and horizontal drilling.

President-elect Donald Trump has named Myron Ebell to head up his transition team for the Environmental Protection Agency (EPA). The news was met with name-calling, even though Ebell agrees with the same position taken by a former top scientist with the Obama administration, Steve Koonin (formerly of Cal Tech) namely, that scientists simply do not know what fraction of observed global warming is due to manmade CO2 emissions.

Research Reports, Issue Briefs & Case Studies

The optimal carbon price is based on society's willingness to substitute consumption across time and across uncertain states of nature. A large body of work in macroeconomics and finance has attempted to infer societal preferences using the observed behavior of asset prices, and has concluded that the standard preference specifications are inconsistent with observed asset valuations.

This email was sent by: **Morning Consult**
PO Box 27068 Washington, DC, 20038, US

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